

IC 16-23-2**Chapter 2. Hospital Boards of Governors in Third Class Cities****IC 16-23-2-1****Creation**

Sec. 1. The legislative body of a third class city may, by ordinance, create a board of governors of each hospital of the city.
As added by P.L.2-1993, SEC.6.

IC 16-23-2-2**Members**

Sec. 2. A board of governors must consist of not less than five (5) and not more than nine (9) members who shall be appointed by the mayor with the advice and consent of the legislative body. One (1) member of the board may be a licensed physician. The executive of the city is an ex officio member of the board of governors.
As added by P.L.2-1993, SEC.6.

IC 16-23-2-3**Terms**

Sec. 3. (a) The initial terms of a board of governors are as follows:
 (1) One-third (1/3) of the members, as near as may be, shall be appointed for terms of one (1) year.
 (2) One-third (1/3) of the members, shall be appointed for terms of two (2) years.
 (3) One-third (1/3) of the members, shall be appointed for terms of three (3) years.
(b) All subsequent terms are for three (3) years.
As added by P.L.2-1993, SEC.6.

IC 16-23-2-4**Vacancies**

Sec. 4. All vacancies in the membership of the board of governors shall be filled for the unexpired term by appointment as provided in section 2 of this chapter.
As added by P.L.2-1993, SEC.6.

IC 16-23-2-5**Compensation**

Sec. 5. The members of the board of governors serve without compensation.
As added by P.L.2-1993, SEC.6.

IC 16-23-2-6**Oath**

Sec. 6. Each member of the board of governors qualifies by taking an oath of office within ten (10) days after the member's appointment. The oath shall be filed in the office of the clerk-treasurer of the city.
As added by P.L.2-1993, SEC.6.

IC 16-23-2-7

Conflicts of interest

Sec. 7. An individual is not prohibited from serving as a member of the board of governors if the member:

- (1) has a pecuniary interest in; or
- (2) derives a profit from;

a contract or purchase connected with the hospital. However, the member shall disclose the interest or profit in writing to the board of governors and provide a copy to the state board of accounts. The member shall abstain from voting on any matter that affects the interest or profit.

As added by P.L.2-1993, SEC.6.

IC 16-23-2-8

Control of hospitals

Sec. 8. The board of governors has exclusive control of each hospital of the city. On the effective date of an ordinance and the appointment of the board under the ordinance, the jurisdiction of the department of health over the hospitals ceases.

As added by P.L.2-1993, SEC.6.

IC 16-23-2-9

Hospital funds; duties of clerk-treasurer; deposits and payments

Sec. 9. The clerk-treasurer of a city having a board of governors is the custodian of and responsible for the clerk-treasurer's official bond for each hospital's funds, except as provided in section 11 of this chapter. The funds shall be paid over to the clerk-treasurer at least one (1) time each week, deposited in public depositories, and paid out on warrants drawn on the clerk-treasurer signed by the president and secretary of the board.

As added by P.L.2-1993, SEC.6.

IC 16-23-2-10

Budget and appropriations; reports

Sec. 10. (a) The governing board and the board's officers may not contract any obligation or pay out any money in excess of an annual budget and appropriations made for those purposes by the fiscal body of the city, as provided by statute.

(b) The board shall, before the time for the fixing of the city budget, annually present to the city fiscal body a detailed report of the receipts and expenditures of each hospital for the current year and a detailed estimate of the money needed for the next fiscal year. This must be done in the manner prescribed by statute or in the manner prescribed by the city fiscal body if a manner is not prescribed by statute.

(c) This section does not apply to funds from donations and bequests, which shall be administered in accordance with section 11 of this chapter.

As added by P.L.2-1993, SEC.6.

IC 16-23-2-11**Donations and bequests**

Sec. 11. (a) The governing board may, under the name fixed by the ordinance and consistent with the terms of any donations and bequests, do the following:

- (1) Accept, hold, and administer donations and bequests for the hospital or hospitals.
- (2) Invest the money in securities that the board considers proper.
- (3) Use the money and assets for hospital purposes.
- (4) Convey assets and pay out money without an appropriation, but only after the action is authorized by a majority vote of the members of the board.

(b) If the board desires to accept the donations or bequests, the board shall elect a treasurer from among the board who is custodian of the money and of the income from the money. The treasurer shall give bond in an amount fixed by and with surety to the approval of the board. The bond must be payable to the board, and suit may be brought on the bond by the board in the board's name.

(c) The board may not accept a donation or bequest that creates an obligation to the city unless the donation or bequest is first accepted and approved by the city fiscal body.

As added by P.L.2-1993, SEC.6.